## Message Text

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**ACTION NEA-07** 

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 INR-05

DODE-00 CIAE-00 SAM-01 SAB-01 SP-02 EUR-08 EB-03

OMB-01 /051 W

----- 060313

R 260940Z JUN 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 7282

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL JERUSALEM

AMEMBASSY COPENHAGEN

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LIMDIS

E.O.11652: GDS

TAGS: PFOR, PINT, XF, IS, US, EG, SY

SUBJECT: RABIN'S FIRST YEAR; CHANGE OR CONTINUITY?

1 FOLLOWIN IS SIMMARY OF A-113;" RABIN'S FIRST YEAR: CHANGE OR CONTINUITY?", TRANSMITTED TO ADDRESSES ON JUNE 25, 1975.

2. IN THE WAKE OFTHE OCTOBER WAR AND ISRAEL'S SUBSEQUENT POLITICAL CRISIS, THE RABIN GOVERNEMTN AFTER A SHAKY START HAS TURNED IN A SURPRISINGLY STRONG PERFORMANCE. THE MOST STRIKING DEVELOPMENT HAS BEEN THE CONSOLIDATIONOF THE PRIME MINISTER'S POSITION. DESPITE AN UNCHARISMATIC AND INROVERTED STYLE, RABIN HAS IMPOSED HIS OWN UNIQUE IMPRINT ON ISRAELI POLICY, AND IN FOREIGN AND SECURITY AFFAIRS HAS EMERGED AS THE GOI'S DOMINANT PERSONALITY. HE IS GENERALLY REGARDED BY ISRAELIS AS NEITHER DOVE NOR CONFIDENTIAL

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HAWK; IN THE VIEW OF MOST COMMENTATORS RABIN HAS SET

A PRAGMATIC COURSE, COMBINING A COMMITMENT TO THE STEP-BY-STEP APPROACH TO ARAB-ISRAELI NEGOTIATIONS WITH AN INTENSE CONCERN FOR ISRAEL'S SECURITY REQUIREMENTS. THERE IS A BROAD CONSENSUS, HOWEVER, THT SO FAR THE HARDEST DECISION HAVE BEN ONLY DEFLETED AND THAT THE GOI'S MOMENT OF TRUTH STILL LIES AHEAD.

- 3. ON THE INTERNAL POLITICAL SCENE RABIN IS
  MANEUVERING BETWEEN DIAMETRICALLY OPPOSED FORCES,
  ON THE ONE HAND MODERATE ELEMENTS PRESSING FOR A
  MORE DYNAMICAND FLEXIBLE POLICY AND ON THE OTHER
  RIGHT-WING GROUPS, INSIDE AND OUTSIDE THE COALITON,
  OPPOSED TO WITHDRAWALS WHICHTHEY PERCIEVE AS
  DETRIMENTAL TO VITAL ISRAELI SECURITY INTERESTS.
  THE REVIVAL OF NEGOTIATIONS UNDER U.S.
  INITIATIVE REPRESENTS A NEW CHALLENGE.
  BEYOND THE IMMEDIATE POLICITAL STRUGGLE OVER THE
  TERMS OF AN INTERIM EGYPTAIN-ISRAELI AGREEMENT
  LOOMS A GREAT NATINAL POLICY DEBATE, STILL ONLY
  IN ITS INITIAL STAGES, ON SYRIA, JORDAN AND THE
  PALESTINIAN ISSUE.
- 4. WITHIN THESHORT SPAN OF RABIN'S STEWARDSHIP,
  BILATERAL US-ISRAELI RELATIONS REACHED SOME KIND OF
  ZENITH WITH THE FIRST EVER PRSIDENTIAL VISIT IN JUNE 1974, BUT
  THIS WAS FOLLOWED BY A PERIDO OF SEVRE STRAIN
  AFTER THESUSPENSION OF NEGOTIATIONS IN MARCH OF THIS
  YEAR. RABIN WON PLAUDITS FOR THE DECISION TO STAND
  FIRM DURING THE U.S. REASSESSMENT, AND REPORTS OF
  AN IMPROVED ATMOSPHERE IN HIS LATESTS WASHINGTON
  VISIT ARE INTERPRETED HERE AS VINDICATING THIS
  APPROACH. THE GOI, VERY MUCH AWARE OF ITS DEPENDENCE
  ON U.S. MILITARY AN ECONMIC ASSISTANCE, HAS PUT UP
  A HARD FRONT AGAINST LINKAGE OF ITS AID REQUEST TO
  ITS NEGOTIATING POSITIONS.
- 5. IN THE ECONOMIC ARENA, THE GOI HAS SHOWN THE ABILITY TO TAKE HARD DECISIONS, IMPOSING STRONG MEASURES INTENDED TO TIGHTEN BELTS, FACING AN OPEN STURGGLE WITHTHE HISTADRUT OVER WAGE AND TAX POLICY, CONFIDENTIAL

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AND PROPOSING A MAJOR REFORM OF THE INCOME TAX SYSTEM IN AN EFFORT TO DEAL WITH THE NATION'S SEVERE ECONOMIC DETERIORATION. RABIN HAS MADE A FIRM COMMITMENT TO SEEK A SOLUTION TO ILLEAL SRIKES, PARTICUALRLY IN VIATL PUBLIC SERVCES, AND TO ROOT OUT CORRUPTION IN HIGH PLACES. ON THE OTHER HAND, THE GOI HAS NOT YET ADDRESSED THE ISSUE OF ELECTROL REFORMS, ACKNOWLEDGE BY AMNY AS THE PREPREQUISITE FOR

THE BREAKUP OF THE EXISTING PARTY POWER STRUCTURE AND ITS REPLACEMENT WITH MORE REPRESENTATIVE INSTITUIONS. IN SUM, THEAPPROACH OF THE RABIN GOVERNMENT ON A HOST OF FOREIGN AND DOMESTIC POLICY ISSUES IS NOTYET FULLY CRYSTALLIZED AND HAS LEFT UNANSWERED THEQUESTION OF WHETHER THE TRANSFER OF POWER TO A NEW LEADERSHIP LAST YEAR HAS GENERATED FUNDAMENTAL CHANGE OR -- AS SOME CRITICS CHARGE--ONLY UNDERSCORED THE RIGIDITY OF ISRAELI INSTITUTIONS AND POLICIES. VELIOTES

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## Message Attributes

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Subject: RABIN'S FIRST YEAR; CHANGE OR CONTINUITY? 1 FOLLOWIN IS SIMMARY OF A-113;" RABIN'S FIRST

TAGS: PFOR, PINT, XF, IS, US, EG, SY, (RABIN, YITZHAK)

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